

## STATEMENT OF GOOD PRACTICES

### AS STATED BY NASFAA

The primary purpose of student aid is to provide financial resources to students who would otherwise be unable to pursue post-secondary education.

In order to accomplish this stated purpose, the following practices are recommended to all financial aid administrators:

1. Shall make every effort to meet the demonstrated needs of all students at Riverland Community College to the extent funding will permit in an ethical manner.
2. Shall award all aid on the basis of demonstrated financial need except where funds are specified for recognition of special talents.
3. Shall exercise adequate controls to insure that need-based aid awards do not exceed documented needs.
4. Shall recognize that the primary responsibility for financing post-secondary education rests with the students and their family. Financial aid assistance from institutions and other sources is only intended as supplementary to the efforts of the family.
5. Shall help students seek, obtained, and make the best of all financial aid resources available.
6. Shall provide in all appropriate literature a clear statement of the actual costs of attendance, which shall include both the direct and non-direct costs.
7. Shall inform the student of all conditions under which an award is granted at the time the offer is made.
8. Shall refrain from and discourage others from making any public announcement of the amount of type of financial aid awarded to a student in order to protect the confidentiality of the economic circumstances of the student and his/her family.
9. Shall respect the confidentiality of student records. Information should be released only on the written consent of the student and/or his/family.
10. Shall oppose the administration of aid to accomplish disciplinary objectives.
11. Shall, when preparing funding requests, estimate needs honestly and fairly.

Title VI of the Civil Rights Act of 1964 states: "No person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, being denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal Financial assistance." Therefore, the Financial Aid Office operates in compliance with this law.

### **OVERVIEW AND PURPOSE**

Riverland Community College participates in federal, state and institutional financial aid programs in order to provide its students with financial access to post-secondary education.

Each external financial aid program has specific administrative and management requirements that necessitate the development of institutional policies and procedures to ensure compliance with regulatory requirements, to facilitate consistency of treatment among classes of students, and to enhance the timely and efficient delivery of aid to students.

This manual has been developed to reflect Riverland Community College's current practices in the delivery of financial aid. It is intended to be used as a reference for existing staff and as a training resource for new staff. In addition, appropriate portions of the manual may be made available to students, other College personnel or state or federal agency representatives who request to review it.

The policies and procedures manual is intended to ensure that Riverland Community College is in compliance with regulatory and audit requirements by clearly and comprehensively documenting the policies and procedures by which the office operates. The policies and procedures contained here support the philosophy of financial aid delivery and will not, in any case supersede or be contrary to federal regulation or state law governing the financial aid programs.

The date at the end of each section of this manual represents the latest date of revision of that section. Due to changing regulatory requirements, some areas of this manual may be supplemented by policy and procedural changes as documented by policy memoranda to the policy and procedure file until the manual is revised.

This manual reflects Riverland Community College's institutional adaptation to the regulations and guidelines governing the student aid programs. For the most part, those regulations and guidelines are not included or referenced here but are available for review in the Financial Aid Office. The publications and documents used routinely by the financial aid office in establishing institutional policies and procedures include:

- ◆ The Congressional Federal Register, Congress
- ◆ The Financial Aid Handbook, US Department of Education
- ◆ The Encyclopedia of Student Financial Aid, NASFAA
- ◆ Dear Colleague and Action Letters, and "Q & A" distributed by the US Department of Education, website.
- ◆ The Federal Student Assistance Audit Guide
- ◆ The Minnesota Higher Education Services Office publications
- ◆ Common Manual
- ◆ NASFAA website, and IFAP website
- ◆ Department of Education website

## **DISCLAIMER**

This manual is intended as an informational guide for Riverland Community College employees. The manual is also used to explain policies and procedures to students. This manual is not used as a guide for federal and/or state regulations concerning financial aid. Therefore, if any information is identified as being inconsistent with the always changing federal/state regulations, those regulations supersede this manual.

This is meant to be a guide to financial aid staff. Appropriate financial aid staff will be allowed to review special circumstances, on a case-by-case basis, to the outlined

procedure to better serve students. These decisions will be made with consideration towards meeting a student's needs while still maintaining the integrity of the institution. The financial aid office believes that extra efforts should be put forth in order to address students who have special circumstances that affect their ability to pay for their education. Riverland Community College peruses special conditions in order to serve students and utilizes the professional judgment authority provided by the Higher Education Act of 1965 as amended. RCC also believes that extensive documentation is necessary when exercising professional judgment and no action is taken to adjust a student's application without adequate supporting documentation.

## **STATE OF PHILOSOPHY**

Notwithstanding the constraints of limited funding, Riverland Community College is committed to using financial aid to remove financial barriers and thereby maximizing access to post-secondary educational opportunities for low income disadvantaged students. The goals of the Financial Aid Office is to deliver student assistance in a timely manner and to ensure availability of financial aid for students who, without such assistance, would be unable to pursue their educational goals at the College. The primary objective of the Financial Aid Office is to provide adequate financial assistance to the minimum number of eligible students through coordination with and full utilization of all governmental, community and on-campus resources, and deliver that assistance within the framework of federal, state, institutional, and donor regulations and policies. In order to accomplish this purpose, Riverland Community College will observe the following practices:

- ◆ The financial aid team will make every effort in an ethical manner to meet the demonstrated financial need of all the students to the extent funding will permit.
- ◆ The financial aid team will award all aid on the basis of demonstrated financial need except where funds are specified for recognition of special needs
- ◆ The institution shall exercise adequate controls to ensure that need based awards do not exceed documented need
- ◆ To publicize the availability of financial aid
- ◆ To enhance delivery of student aid through simplification of the application process
- ◆ To assist students and families with understanding college costs and how their resources and financial aid can meet them
- ◆ To process applications, determine eligibility in a timely manner
- ◆ To monitor students' continued eligibility by enforcing the college's academic progress policy.

## **CHEMICAL USE/ABUSE: DRUG**

See Student Handbook

## **DATA PRIVACY PRACTICES**

See Student Handbook

## **NON-DISCRIMINATION POLICY**

**See Student Handbook**

## **OFFICE HOURS AND AVAILABILITY**

**Financial Aid Staff are located on all three campuses of Riverland Community College. Office hours are from 7:30 – 4:30 pm (subject to change).**

## **ORGANIZATION AND STRUCTURE**

Riverland Community College operates as a non-profit educational institution offering diplomas, certificates, AA, AS, and AAS degrees. Riverland Community College has campuses in Austin, Owatonna, and Albert Lea. The College is accredited by North Central Association of Colleges and Schools. The College is approved by the US Department of Education for participation in all Title IV student assistance programs. The College maintains its administrative offices, including its Financial Aid Office, at Riverland Community College, 1900 8<sup>th</sup> Avenue NW, Austin, MN 55912. The College is governed by Minnesota State Colleges and Universities, MNSCU, which develops and approves global policies relating to the operational direction of the College. Changes in financial aid policy that have a potential of campus-wide impact are recommended by the Director of Financial Aid to the Vice President of Student Services, who recommends to the College President and then to MNSCU. Changes in financial aid policy that impact specific programs must also be reviewed by the Director of Financial Aid, to ensure policies are consistent with program intent. Major internal operational decisions relating to the administration of the financial aid programs are made by the Director of Financial Aid in consultation with the Vice President of Student Services. The Director of Financial Aid makes routine internal operations decision and develops internal policies relating to the administration of the programs in consultation with the Financial Aid Office staff and other departments and agencies as appropriate.

## **REPORTING STRUCTURE**

Reporting at Riverland Community College is as follows:

MINNESOTA STATE COLLEGE AND UNIVERSITIES

COLLEGE PRESIDENT

VICE PRESIDENT OF STUDENT SERVICES

DIRECTOR OF FINANCIAL AID

FINANCIAL AID OFFICERS

FINANCIAL AID ASSISTANTS

*STUDENT WORKERS*

**RESPONSIBILITIES**

Position responsibilities of the Director of Financial Aid are:

- ◆ Direct the day to day operation of the financial aid office
- ◆ Allocates financial aid resources and authorizes disbursements
- ◆ Develops and implements policies and procedures
- ◆ Oversees application processing, needs analysis, verification, and packaging
- ◆ Participates on the Satisfactory Progress Committee
- ◆ Performs federal and state reporting as well as preparing monthly reports to MNSCU
- ◆ Coordinates staff selection and training
- ◆ Supervises and evaluates staff
- ◆ Develops forms and student consumer information
- ◆ Interprets and implements regulatory changes
- ◆ Responds to audits and program reviews
- ◆ Performs financial aid presentations for local high schools
- ◆ Counsels students and parents about financial aid opportunities
- ◆ Chairs the Financial Aid Committee
- ◆ Ensures compliance with state and federal regulations
- ◆ Represents the College at state and regional financial aid meetings
- ◆ Oversees the data drawn in from the department of education

Position responsibilities of the Financial Aid Officers are:

- ◆ Processing Federal Family Educational Loans
- ◆ Non-AFDC Child Care Program
- ◆ Processing of the State Grant Program and reporting to Minnesota Higher Education Services Office
- ◆ Processing of the Pell Grant Program
- ◆ Processing of the Perkins Loan Program
- ◆ Student Orientations
- ◆ Counseling prospective and current students
- ◆ Performs entrance and exit loan counseling for the student loan programs/ or assist students with the website entrance and exit counseling
- ◆ Assist with verification at peak period
- ◆ Financial Aid Nights at local High Schools
- ◆ Serve as main Agency Contact
- ◆ Completes outgoing Financial Aid Transcripts
- ◆ Other duties as assigned

Position responsibilities of the Financial Aid Assistants are:

- ◆ Coordinate and organize the financial aid files
- ◆ Process all FAFSA's originated at Riverland Community College
- ◆ Manages the document tracking function ISRS
- ◆ Reconciliation of all Accounts on a monthly basis
- ◆ Verification
- ◆ Manages and Processes Federal and State Work study/timesheets
- ◆ Send student loan preclaims letters
- ◆ Sends exit and entrance material to all student who participate on the entrance and exit counseling website.
- ◆ Sends exit material to all students who do not participate in exit counseling that will be leaving the college
- ◆ Manage posting work study positions (i.e. Student Bulletin, bulletin boards, and upcoming future website)
- ◆ Manage Aids Apply reports on a weekly basis to ensure accurate payments to students
- ◆ Retrieves and Sends reports to the Department of Education through ED Express
- ◆ Originates Packaging through using ISRS
- ◆ Monitors ESL, Truck Driving, and Farm Business Management Programs to ensure appropriate funding according to Federal and State Guidelines.
- ◆ Monitor disbursements of all programs to ensure accurate and timely payments
- ◆ Ensures all documentation is on file at the time a student is packaged

## **RECORD MANAGEMENT**

ACTIVE RECORDS: Active files are defined as files for aid applicants who apply for financial aid in the current academic year. Active files are maintained in alpha order in file cabinets in the Financial Aid Office. A file is started for each applicant each year and maintained for four years from the date the student completes his/her program of study.

INACTIVE RECORDS: Inactive files are defined as those for students who have had no file activity. Inactive files are maintained in alpha order in file cabinets in the Financial Aid Office. Files are destroyed after four years from the last file activity or after audit disputes relative to the student file have been resolved, but no earlier than four years from the most recent activity.

CONFIDENTIALITY: Only Financial Aid Office personnel have access to hard copy student files. Information about a student's aid applications and records are transmitted only to authorized College personnel as necessary to administer student awards and manage the programs. Transmittal of this information is controlled by the Director of

Financial Aid who authorizes access only to appropriate personnel. Staff respond to individual inquires about student in writing. Student applicant inquires are controlled by requiring the student's social security number and address as identification. Specific information about a student's file is not released over the telephone.

### **AUDITS AND REVIEWS**

The financial aid programs are annually in compliance with the US Department of Education requirements. Audits are performed by the auditing firm of Larson, Allen, Weishair and Company. Original copies of all audit findings and responses are kept in the Business Office and the Financial Aid Office.

### **PELL GRANT PROGRAM**

The Federal Pell Grant program is the building block of all types of governmental aid. Students are required to apply for the Pell Grant, before being considered for other types of student aid. The Pell Grant is given to low income students. Pell are available for students who attend less than half-time. The maximum Pell Grant for 2001-2002 is \$3750 and the minimum is \$400.

### **FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG)**

The FSEOG Grant is a campus-based program. Riverland Community College awards FSEOG money to students in increments of \$500 per semester based on full-time, \$375 per semester based on three-fourth time, and \$250 based on half-time enrollment levels. Riverland Community College will award FSEOG moneys initially to students with exceptional need or zero EFC's. Also for summer, Riverland Community College allowed funds for all Pell Grant recipients who either utilized all Pell funding during the academic year or had only min, funds available for summer. Used same increments as during the academic year based on enrollment levels.

### **GRANTS FROM THE STATE OF MINNESOTA**

Riverland Community College participates in the Minnesota State Grant program. These grants are processed using the state's decentralized delivery system. The state grant award is based on the size of the Federal Pell Grant. The maximum state grant for 2001-2002 is \$4413 while the minimum state grant is \$100.

### **NON-AFDC CHILD CARE GRANT**

Riverland Community College will give first priority to students who received the child care grant in the previous year. After those students have been funded, we will award on a first come first serve basis. If funds are depleted change, each financial aid office will

maintain a waiting list of students in the event that funds become available from other students or a reallocation from the state.

### **FEDERAL STAFFORD STUDENT LOAN (SUBSIDIZED/UNSUBSIDIZED)**

Riverland Community College participates in both the Subsidized and the Unsubsidized Stafford Loan Program. As part of RCC's default management program, we try to discourage students from borrowing more than \$15,000 of student loan funds. However, students' have the right to request additional funding provided they receive loan indebtedness counseling from the Director of Financial Aid or Financial Aid Officer

### **PARENTAL LOAN FOR UNDERGRADUATE STUDENTS (PLUS)**

Riverland Community College participates in the PLUS loan program. The PLUS loan is made available to parents of dependent students. The majority of the PLUS loans that Riverland Community College certifies are for parents of students who are not eligible for grants moneys.

### **MINNESOTA SELF LOAN**

Riverland Community College participates in the Minnesota SELF loan program. The financial aid team provides information on both the SELF and the Unsubsidized Stafford Loan to students who have no unmet need.

### **FEDERAL/STATE WORKSTUDY**

Riverland Community College participates in both the Federal and State work study programs. Students are paid for services provided to the college or a non-profit organization at the hourly rate \$8.00.

### **POSITIONS**

Riverland Community College encourages the usage of Work Study funds by non-profit organizations in the community. Copies of the contract are provided in the appendix of this manual.

### **EARNING LIMITS**

In no instance will a student earn an amount that exceeds his/her unmet need. Riverland Community College begins with an initial award of \$4000. After the initial \$4000 is earned, additional funds may be awarded to the student spring semester if funds are available. Riverland Community College informs students and supervisors when work study funds earned are near \$4000.

### **EMPLOYMENT FOR PERIODS OF NON-ENROLLMENT**

All students working on college work study programs will be enrolled for at least six credits for the term in which they are employed during the academic year. The one exception to this is the summer session. If a student will be attending Riverland Community College at least half-time the following fall semester, the student will be allowed to work during the summer up to their living expenses. All students who take part in this type of arrangement must be registered for at least six credits fall semester and have their financial aid application for the upcoming year complete.

## **APPLICATION PROCESS**

The financial aid team believes that institutions should take advantage of all electronic data processing options to assist student when necessary. Riverland Community College also believes that these electronic options should only be used when the window of time is so small to serve a student using the traditional paper application process. Therefore, Riverland Community College has computers available for students to process electronically, when students have adequate time to have a paper application completed we encourage the student to do so.

## **MANUAL/PAPER APPLICATION PROCESS**

The manual or paper application process begins with the student filling out the Free Application for Federal Student Aid (FAFSA). If requested by the student a financial aid team member will review the application for accuracy. The student then mails the FAFSA to the central processor. In approximately three weeks, the student will receive a student aid report from the processor.

Riverland Community College will send tracking letters every fifteen days until such time that the student file is complete. In situations where the student has been selected for verification, these requirements are met at that time. If corrections are done, these are done using an electronic process through ED Express. Once a file is complete and verified the financial aid office will send the student an award letter. This letter does not have to be signed and returned. (It is important to note that Riverland Community College will not send out estimated award letters and no award

## **ELECTRONIC APPLICATION PROCESS**

The completed FAFSA is entered into one of the network computers, or student home computer and the information is transmitted to the central processor by the student. The data is then drawn down from the central processor and an electronic student aid report is generated.

## **ABILITY TO BENEFIT**

When the consortium agreement is received by Riverland Community College's financial aid office, the credits from the visiting campus will be added to a student's Riverland Community College credits. The financial aid award will then be processed on the basis of total credits from both the visiting campus and the home campus.

In the event that a student does not have a high school diploma or a GED, students are required to take the ability to benefit test. Riverland Community College has the TEST (Celsa or Accuplacer) at the Student Success Center. If the student completes this test successfully, a copy of the test results are placed in the student's file and the Financial Aid Office can complete the awarding process. However, if a student takes the Celsa test for ESL, and then once the student completes the ESL program and chooses to go on and get a AAS, AS, Diploma etc. in another field they need to take the accuplacer test first before they can receive financial aid for that program of study.

## **CONSORTIUM AGREEMENTS**

On a case by case basis, Riverland Community College will peruse temporary arrangements with other institutions to accommodate individual students. A student must submit a consortium agreement to the visiting campus. The visiting campus will certify that the student is not receiving any financial aid from that institution. In addition, the visiting campus will provide information on the number of credits and the costs. When the consortium agreement is received by Riverland Community College's financial aid office, the consortium agreement sent and reviewed by our Assistant Registrar to determine if this course is required for the student's program of study. If it is, the credits from the visiting campus will be added to the student's Riverland Community College credits. However, if we find that the course is not required Riverland will not take into account that course taught by the other institution. Therefore, no additional credits would be added to increase their financial aid.

If course is accepted, the financial aid award will then be processed on the basis of total credits from both the visiting campus and the home campus.

In the event that a student drops or withdraws from any credits at a visiting campus, Riverland Community College requests that both the student and the visiting campus inform the financial aid office at Riverland Community College

## **PACKAGING FINANCIAL AID**

### **OVERVIEW**

Packaging is the process of combining various sources of financial aid that the student is eligible to receive, into one financial aid award, and ensuring that the combination of all aid types doesn't exceed the student's need.

If not selected for verification, a student's file is considered "complete for packaging", when all required documents have been received and any discrepant information resolved. All completed files will have a needs analysis performed. Those students who are selected for verification will have a completed file after all required documents have been received, reviewed, and any required corrections have been processed.

Riverland Community College is committed to providing financial assistance that will ensure basic educational access and retention for all eligible students. Within the

parameters of federal and state regulations, awarding is determined based on need, date of financial need, and to maximize grant funding to the extent possible.

## **STUDENT RESPONSIBILITY**

Students are expected to contribute toward their costs of education. All known forms of outside financial resources will be considered as part of a student's contribution. Financial aid will never exceed the student's financial need.

## **SELF-HELP**

Students identify whether they prefer work study or loans on the FAFSA. If they choose neither to determine award amounts for Pell, FSEOG, State, FWS, and Stafford loans within the required parameters.

## **ORDER OF PACKAGING**

A. Outside financial aid programs are packaged first for all students. Students are considered for each fund in the order listed below and, if eligible, awarded from that fund. If the student has remaining unmet need, eligibility for the next fund is considered and packaged,. Students who have no unmet need are notified of loan and work study options available.

1. Pell Grant
2. FSEOG
3. Minnesota State Grant
4. Scholarships (outside known source)
5. Federal Work Study (if work preference indicated)
6. Stafford Loan (Subsidized and Unsubsidized) if loan preference indicated on FAFSA.

B. Awards are packaged based on the enrollment off of their financial aid application and payments are adjusted (if appropriate) to reflect current enrollment status prior to disbursements.

## **PROGRAM PACKAGING PARAMETERS**

A. **PELL GRANT:** Award amounts are based on the annual Pell Grant Payment Schedules which are prorated for less than half time-half, and three quarter time enrollment status.

**AWARD RANGES** is for 2001-2002 are as follows:

Full time (12+ credits)	\$400-\$3750
¾ time (9-11 credits)	\$400-2813
½ time (6-8 credits)	\$400-\$1875
<1/2 time (1-5 credits)	\$400-\$469

- B. **MN STATE GRANT:** is awarded to students based on authorization from the Minnesota Higher Education Services Office. Awards are prorated on the basis of enrollment status. MHESO calculates full time on the basis of 15 or more credits.

AWARD AMOUNTS are variable.

- C. **SCHOLARSHIPS** from outside sources such as private donors, nonprofit organizations, corporations, or institutional scholarships. Scholarships that are not awarded on the basis of need, are considered as part of the student's resources before other forms of financial aid are awarded. Receipt of scholarships after packaging may reduce the student's eligibility for campus-based funds (federal/state work study, FSEOG, Loans).
- D. **FSEOG** is awarded first to students who have a low expected family contribution (EFC) and who have at least \$200 unmet need after packaging outside grants. If funds remain after awarding students with zero EFC, awards are made to students with the next lowest EFC. Students must be enrolled at least half-time to receive FSEOG.

AWARD AMOUNTS are \$200 minimum and \$1000 maximum annually. It is prorated each quarter based on enrollment status as follows:

Full time	\$500
$\frac{3}{4}$ time	\$375
$\frac{1}{2}$ time	\$250

- E. **FEDERAL WORK STUDY AND STATE WORK STUDY** is awarded to students who have indicated a work preference on the FAFSA and have a remaining unmet need of at least \$500 after other grants are awarded. Students must be enrolled on at least a half-time basis to receive a work study award. Award amounts are \$500-\$4000 per year up to the student's unmet need or the maximum award whichever is less.

## **STANDARD PACKAGING PRACTICES**

### **BUDGETS**

1. If a student is enrolled beginning Fall semester, he/she is entitled to a full year Standard Student Budget whether or not he/she receives aid for the full year.
2. If the student is only enrolled for one semester, the budget will be 50% (or one semester) of the standard student budget. EFC's will automatically adjust by the ISRS system.
3. Revisions to budgets (e.g., when the student moves from parents home to away from home) will normally be made between terms. Increasing budgets within terms will be made on case-by-case basis.

## **AWARD NOTIFICATIONS**

Once the eligibility determining process is complete, the award is packaged, and an Award Letter is generated and mailed to the student.

## **FEDERAL SUBSIDIZED/UNSUBSIDIZED LOAN PRORATION**

### **OVERVIEW**

In compliance with 34 CFR 682.204 and CFR 668.2 effective July 1, 1994, Riverland Community College began prorating Subsidized and Unsubsidized Stafford Loans for those loans disbursed on or after that date and/or students whose enrollment periods commenced on or after that date.

The purpose of loan proration is to ensure the amount of Stafford loan a student may receive in a program of less than one year in length or in a final period of enrollment is less than an academic year, is proportional to a full loan a student would receive for a full academic year study.

Traditional proration, where annual maximum loan amounts are fixed, applies to Subsidized, Unsubsidized, and additional Unsubsidized Stafford for students in a program of less than one academic year in length, and to additional Unsubsidized Stafford for students enrolled in a program greater than one year in length but two years or less in length.

Proportional proration, where loan amounts vary depending on the number of hours of enrollment applies to all other loans for students enrolled in a final term that will complete the academic program when that term is less than a full academic year in length. For example, if a student is completing an eighth semester program in his/her ninth semester of enrollment, the maximum loan amount is calculated by dividing the number of hours of enrollment by the number of hours in the standard academic year, which is 30. The resulting percentage is then applied to the maximum loan amount for the student particular grade level to arrive at the maximum loan eligibility.

Loan proration does not apply to:

- ◆ Graduate students in graduate programs
- ◆ PLUS Loans
- ◆ Loans for undergraduate students who reduce hours of enrollment after a loan has been certified
- ◆ Loans for undergraduate students in a final term or enrollment who will not complete the academic program in that final term.

Since loan proration requirements and annual loan limits resulting from application of proration are statutory, they may be superseded or overridden by appeal of the College Satisfactory Academic Progress policy or by the use of professional judgment. Professional judgment may be used, however, to determine a dependent student is

eligible for additional unsubsidized Stafford that would be subject to the proration formula.

## **SEE APPENDIX FOR LOAN PRORATION WORKSHEET**

### **IDENTIFYING STUDENTS TO WHICH PRORATION APPLIES**

- A. When a Stafford application is received, the following is checked to determine whether or not proration is required:
1. The student's program of study
  2. If the loan is for a term that is less than an academic year: Check loan application
  3. If the student will complete the academic program during the loan period from:

Loan application

- a. Approved Satisfactory Academic Progress Appeal  
Review of academic transcript  
Review of the Registrar's History file

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### **STUDENT NOTIFICATION**

- A. Financial Aid Office notifies the student of the change of the loan amount when the amount of loan requested is greater than the certified, prorated amount by mailing a loan revision form.
- B. Notifying the Financial Aid Office, or by completing another loan application form.
- C. Financial Aid Office notifies the student when their loan indebtedness is greater than \$15,000. Students are required to visit with the Director to discuss their loan debt and determine the amount they can borrow, or if they can get by without. Once discussion has been completed with student, the Director will send a note to Student Service Representative so they can process the loan. Or, if they choose not to take a loan out, a note will be put on the system.

### **VERIFICATION**

## **OVERVIEW**

Riverland Community College is governed by Title IV student financial aid regulations that require institutions to verify reported applicant data in certain instances. To comply with these regulations and to ensure student applications with the greatest potential for error are reviewed and documented, Riverland Community College verifies all applications that are flagged for verification by the Central Processor.

The College adheres to the principles stated below which were developed by the National Association of Student Financial Aid Administrators with respect to verification of student aid applications:

- ◆ To ensure that limited financial aid funds are awarded to eligible students in an equitable and consistent manner, Riverland Community College has developed policies for verifying reported family information.
- ◆ The College has developed policies that ensure that verification of reported family information for students applying for financial aid is cost effective, flexible, and based upon acceptance of a reasonable tolerance range for error which can be applied to award amounts.
- ◆ The college makes institutional policies and procedures relating to verification available to its students.
- ◆ The College ensures that procedures are uniformly applied to all applications for financial aid programs for which demonstrated financial need is a criteria.

## **WHO IS VERIFIED**

The Financial Aid Office verifies all applicants for Title IV aid who are flagged for verification by the Central Processor.

## **WHAT IS VERIFIED**

The college verifies all items required for verification as specified in 34 CFR Part 668.56 for parents of dependent students themselves and independent students. These include:

- 1 Prior year (base year) adjusted gross income
- 2 Taxes paid
- 3 Untaxed income including:
  - a. Social Security Benefits if a statement on the SAR specifically requires verification
  - b. Child Support if the college has reason to believe that child support was received
  - c. Earned Income Credit
  - d. IRA/Keogh
  - e. Foreign Income Exclusion
  - f. Other income not taxed under IRS regulation
4. Number in Household
5. Number in College
6. Independent student status if the student is independent due to veteran status or being a ward of the court.

The Financial Aid Office also verifies any other data elements for which conflicting information exists.

The College resolves discrepant application information in compliance with 34 CFR Part 668.16 (f).

#### **RESPONSIBILITIES OF THE APPLICANT:**

- A. Applicants for Title IV aid are required to provide requested information of documentation in order to be eligible to receive Title IV student aid.
- B. All applicants selected are required to provide requested information or documentation prior to the time that any Title IV awards are made.
- C. If an applicant's dependency status changes during the award year, or the original application was filed incorrectly, the applicant must provide documentation reflecting the changed status UNLESS the change results from a change in marital status. The college can make the correction electronically through ED Express.
- D. All applicants must certify and/or update the household size and number in post-secondary education to reflect accurate data as of the date of verification.
- E. Students eligible for Title IV assistance must certify accuracy and, if necessary, update the household size and number in post-secondary education as of the date the FAFSA or Renewal Application is signed; or if ninety days lapsed since the original application was signed, household size and number in college must be updated (excluding parents for number in college).

#### **REQUIRED DOCUMENTATION:**

- A. The college requires all applicants to submit appropriate documentation to verify required verification items and requires documentation of non-required verification items to resolve any discrepancy in the student file.

- B. To verify household size, the college reviews the names and post-secondary education status of the family members as listed on the Verification Worksheet. If the information is unclear, clarification will be requested from the student and family via telephone, or we will send out a Family size form for them to verify the number in the household. The college may, at its discretion, exempt the following cases from household size verification of:

**(THE FOLLOWING EXCEPTIONS ARE ALLOWED)**

1. The prior year's household size is the same as that reported for the current year,
2. Dependent applicants whose parent is single, divorced, separated, or widowed and the reported household size is 2,
3. Dependent applicants whose parents are married and the reported households size is 3,
4. Independent applicants who are single divorced, separated, or widowed and the reported household size is 1, or
5. Independent applicants who are married and the household size is 2.

- C. An To verify the number in post-secondary education, the college reviews the information provided on the Verification Worksheet. If the information is unclear, clarification will be requested from the student and family via telephone.

Parents are not included in number in college. However, professional judgment can take place, if parent is a dislocated worker, or do to medical reason is forced to go back to school to retrain for a different profession.

- D. To verify adjusted gross income, the college uses the IRS 1040,1040A,1040EZ, telefile as the primary documentation source. If the IRS 1040 is unavailable or an inappropriate source for verification, the following secondary sources may be accepted:

1. Form W-2 with a copy of the 1040 if a joint return was filed for a person who separated or divorced; or when an IRS extension for filing has been obtained. If an extension has been filed, the college may accept the following in lieu of the form 1040:

- ◆ Photocopy of IRS Form 4868; and
- ◆ Parent's statement describing the financial situation which required a delay in filing and statement of approximate date it will be filed; and
- ◆ Parents' approximate net income for the prior year.

*(NOTE: A hold is placed on the file for the eventual receipt of the parent's tax return. One disbursement is allowed prior to receipt of filed 1040.)*

2. An IRS letter 1722 (Tax Listing) or IRS printout if the student or parent hasn't retained a copy of the 1040. If the IRS tax listing does not come on IRS letterhead, however, it must either be:

- ◆ Signed by the student and/or parent, or
- ◆ Attached to the IRS envelope as demonstration it is an IRS document.

3. Divorced, separated, or widowed parent who filed a joint tax return: The parent must submit a copy of the joint return and the appropriate W-2 statement or statements of earnings from the employers. If other taxable income (i.e., interest, dividends, business income) is included in adjusted gross income on the joint return the amounts received from these sources must be added to the amount earned to compute the adjusted gross income. A parent's signed statement is sufficient to verify the manner in which the income is divided. The percentage of taxes paid is calculated as the same percentage of income contributed by the parent to the combined income.

E. To verify income taxes paid, the college uses the items listed in D above.

F. To verify social security benefits, the college uses the:

1. IRS 1040, or
2. Untaxed Income on Verification Worksheet, or
3. Social Security Form 1099, or send copy of worksheet off of application form (FAFSA).

G. To verify child support, the college reviews the information provided on the verification Worksheet. If the information is unclear, clarification will be requested from the student, or in the case of a dependent student, from the custodial parent, via telephone call.

H. To verify other untaxed income, the college uses the:

Verification Worksheet or institutional application

IRS Forms 1040, 1040A, 2555 for Earned Income Credit, untaxed portions of IRA/KEOGH, and Foreign Income "Exclusion.

- A. The college requires all applicants to submit appropriate documentation to verify required verification items and requires documentation of non-required To verification items to resolve any discrepancy in the student file.
- B. **To verify household size**, the college reviews the names and post-secondary education status of the family member as listed on the Verification Worksheet. If the information is unclear, clarification will be requested from the student and family via telephone. The college may, at its discretion, exempt the following cases from the household size verification if:

**(THE FOLLOWING EXCEPTIONS ARE ALLOWED)**

- 1. The prior year's household size is the same as that reported for the current year.
- 2. Dependent applicants whose parent is single, divorced, separated, or widowed and the reported household size is 2,
- 3. Dependent applicants whose parent are married and the reported households size is 3,
- 4. Independent applicants who are single, divorced, separated, or widowed and the reported household size is 1, or,
- 5. Independent applicants who are married and the household size is 2.

C. **To verify the number in post secondary education**, the college reviews the information provided on the Verification Worksheet. If the information is unclear, clarification will be requested from the student and family via telephone. As indicated above parents cannot be included in number in college unless parent has special circumstances. i.e disability, loss of job etc.

D. **To verify adjusted gross income**, the college uses the IRS 1040, 1040A, 1040EZ, and Telefile as the primary documentation source. If the IRS 1040 is unavailable or an inappropriate source for verification, the following secondary sources may be accepted:

- 1. Form W-2 with a copy of the 1040 if a joint return was filed for a person who separated or divorced; or when an IRS extension for filing has been obtained. If an extension has been filed, the college may accept the following in lieu of the Form 1040:
  - ◆ Photocopy of IRS Form 4868; and
  - ◆ Parent's statement describing the financial situation which required a delay in filing and statement of approximate date it will be filed; and
  - ◆ Parents' approximate net income for the prior year.

*(NOTE: A hold is placed on the file for the eventual receipt of the parents' tax return. One disbursement is allowed prior to receipt of file 1040)*

2. An IRS Letter 1722 (Tax Listing) or IRS printout if the student or partner hasn't retained a copy of the 1040. If the IRS tax listing does not come on IRS letterhead, however, it must either be:
    - ◆ Signed by the student and/or parent, or
    - ◆ Attached to the IRS envelope as demonstration it is an IRS document.)
  3. Divorced, separated, or widowed parent who filed a joint tax return: The parent must submit a copy of the joint return and the appropriate W-2 statement or statements of earnings from the employers, If other taxable income i.e., interest, dividends, business income) is included in adjusted gross income on the joint return, the amounts received from these sources must be added to the amount earned to compute the adjusted gross income. A parent's signed statement is sufficient to verify the manner in which the income is divided. The percentage of taxes paid is calculated as the same percentage of income contributed by the parent to the combined income.
- E. **To verify income taxes paid**, the college uses the items listed in D above.
- F. **To verify Social Security Benefits**, the college uses the:
- ◆ IRS 1040, or
  - ◆ Untaxed Income Verification worksheet, or
  - ◆ Social Security Form 1099, or send copy of worksheet from back of FAFSA application.
- G. **To verify Child Support**, the college reviews the information provided on the Verification Worksheet. If the information is unclear, clarification will be requested from the student, or in the case of a dependent student, from the custodial parent, via telephone call.
- H. **To verify other untaxed income**, the college uses the:
- ◆ Verification worksheet or institutional application
  - ◆ IRS Forms 1040/1040A, 2555 for Earned Income Credit, untaxed portions of IRA/KEOGH, and Foreign Income Exclusions.
  - ◆ **Form W-2**
- I. **To verify independent student status, the college uses the following:**
- ◆ **If independent by Veteran Status**, the student must supply a copy of his/her DD214 showing honorable discharge and veteran (not reserve) status.
  - ◆ **If independent by Ward of the Court**, the student must supply copy of court documents supporting that status,

**TIME PERIOD FOR SUPPLYING DOCUMENTATION:**

- A. Applicants must provide the requested documentation no later than the last day of classes for the academic year. (NOTE: FWS, FSEOG and scholarships funds are normally committed early in the academic year. Completion of verification after these funds have been committed will only affect the student's eligibility for remaining funds, primarily Pell, State, and FFELP programs)
- B. If the college grants an extension of time, the policy is that the student must submit documents within any extension deadline allowed for in the Federal Verification Handbook.

### **INTERIM DISBURSEMENTS:**

- A. The College will not make any disbursement of Title IV funds or employ a student under the FWS program until a requested verification is complete.
- B. The College will not disburse any Title IV funds or employ a student under the FWS programs if the college has documentation which indicates the application information is inaccurate.
- C. Applicants who fail to provide requested documentation to verify reported information within the specified time period will forfeit their awards. Special circumstances will be reviewed on a case-by-case basis.
- D. The College will not accept requested documentation or award aid to students after the specified time period. Special circumstances will be reviewed on a case-by case basis.

### **TOLERANCES**

- A. The College will recalculate the EFC for an applicant through the ED Express system if the application information changes as a result of verification.
  - ◆ If the recalculation results in a change in the EFC that affects the Pell award, the College will resubmit the correction to the Central Processor for the student through the electronic correction system of ED Express.
  - ◆ If the EFC doesn't change or if the student is not eligible for Pell, no further action will be taken.
- B. Because the college can recalculate the correct EFC instantly, it is not normally necessary to use the absolute dollar tolerances.
- C. For the campus-based and Pell programs the college will recalculate an applicant's EFC if there are any errors in non-dollar items used to calculate the EFC, and/or there is an absolute dollar error of \$400 or more.

### **STUDENT NOTIFICATION**

- A. The College informs applicants of verification procedures and requirements via the follow-up letter which is sent indicating required documents and procedures to complete the file and the verification process.

- ◆ Failure of the student to submit the required documents after being informed of the requirements will result in the file being placed in an inactive status. (Students will receive three notification letters.)
  - ◆ The inactive status may be removed at anytime the student supplies the missing documents to complete the file within the required deadlines.
- B. The College notifies applicants of the results of verification by sending an award letter if the student is eligible, or a no need letter if the student is not eligible.

### **REFERRAL PROCEDURES**

- A. The College will forward to the Department of Education, the name, Social Security number, and other relevant information of any applicant who has received funds based on possible incorrect information, after the institution has made a reasonable effort to resolve the discrepancy.
- B. The College will refer to appropriate authorities the name, Social Security number, and other relevant information of an applicant to comply with 34 CFR Part 668.14(g).

### **FINANCIAL AID CHECK DISBURSEMENT**

Riverland Community College disburses all financial aid on the 11<sup>th</sup> day of each semester, and shorter time frame during the summer session. Check disbursement schedules are mailed to students and posted on each campus, also posted in the student handbooks. Students that are first-time Stafford Loan borrowers at Riverland Community College will receive their first loan disbursement no sooner than the 31<sup>st</sup> day after the student begins class. Late applications may delay disbursements.

- ◆ Students are required to present picture ID when picking up aid
- ◆ No person, other than the student, is allowed to pick up the student's check
- ◆ Enrollment; is checked at the time of Aids Apply and Funds Apply
- ◆ If enrollment has changed, all grants are recalculated during the Aids Apply process on ISRS.
- ◆ If a student is unable to pick up their financial aid check, a form may be signed prior to disbursement allowing Riverland Community College to mail the check to the student..

### **STAFFORD/PLUS LOANS WILL BE ELECTROINCIALY RETURNED IN THREE DAYS IF STUDENT IS NO LONGER ELIGIBLE:**

- ◆ Enrollment is less than half-time
- ◆ Student dropped out of school

Work study payments are made every other Friday. (See Student Employment Handbook). If a student misses a time sheet deadline, the late time sheet will be

submitted two weeks later. Students have up to 45 days from which they worked to submit a time sheet.

## **REFUND AND REPAYMENT POLICY**

**Students who wish to withdraw from the College (drop all courses) must start the process with the Registrar Office which means filling out a withdrawal form. The refund schedule for total withdrawal from the college staff must refer to the student handbook.**

**Financial aid is determined on the eligible enrollment status on day 7 of the semester.**

The financial aid office is responsible to identify and calculate refunds under the refund policy. Federal regulations states that refunds must be returned in the following order:

- ◆ Federal Stafford Loans (Unsubsidized, Subsidized)
- ◆ Plus Loans
- ◆ Federal Perkins Loan
- ◆ Pell Grant
- ◆ FSEOG

Refund checks are mailed to the student by the Business Office.

## **REPAYMENTS (FINANCIAL AID RECIPIENTS)**

**Repayments: The amount of any cash disbursement made to the student that must be paid back to the financial aid programs if a student totally withdraws from school, or receives all F's, or NC's during prior semester and instructors identify that a student ceased attendance in their classroom. If instructor are unable to give specific date the middle of the semester date will be used.**

If a financial aid recipient totally withdraws, Riverland Community College will determine whether the student owes a repayment to any financial aid program based on the Title IV Refund Calculation software as of 7/1/2000. Programs will be repaid in the same order a refunds are determined.

## **TUITION POLICY AND DEFERMENT (SEE *STUDENT HANDBOOK*)**

## **LOAN COUNSELING**

### **Entrance Counseling**

Students who are interested in borrowing under the Stafford Loan Programs (subsidized and unsubsidized) must complete the Free Application for Federal Student Aid. Students awarded a Stafford Loan are required to do entrance counseling on our Riverland Community College website. This will automatically notify the financial aid office that

the student completed the entrance session. The financial aid office will then send out Entrance Packet to the student. The student will need to return the loan application that is contained in the packet to the financial aid office.

Promissory notes for Stafford Loans are mailed to the student from the Guarantee Agency. Students are required to return promissory notes back to the Guarantee Agency in order for the loan funds to be electronically wired to the school.

### **Exit Counseling**

Federal Regulations require Riverland Community College to conduct exit loan counseling. A graduation express session is held on each campus every semester before student's ceases at least half time study. Information obtained by the financial aid staff will be forwarded to a student's lender. An exit packet is given at each graduation express to student who have received loans in the past. Materials covered in the exit packet include: loan repayment obligations, loan consolidations, deferment, forbearance, cancellation provisions, and consequences of delinquency and default. Borrowers are required to provide the school a permanent address, address of next of kin, and the name and address of borrower's expected employer (if known). Counseling session dates are posted on each campus and in the student handbook. Exit Counseling is also now available on the Riverland Community College website. If student completes exit counseling on the website all material listed above will be sent to the student's permanent address.

### **SATISFACTORY PROGRESS (*SEE STUDENT HANDBOOK*)**

### **PROFESSIONAL JUDGEMENT**

A Professional Judgement Form is available from financial aid representatives for students who have situations that affect their ability to pay for college. Unemployment, loss of benefits, death of parent/spouse, reduction in salary, and divorce are situations that could change a student's ability to pay college costs. Families with elementary/high school tuition costs or high medical expenses not covered by insurance, may also ask for a professional judgement. Students **must** complete the Free Application for Federal Student Aid with **original** information before a professional judgement can be made.

Students with unusual circumstances may be considered self-supporting even if they do not meet the six normal criteria. The determination will be made on a case-by-case basis by a financial aid representative using professional judgement. A "request for independent status" form must be completed by a student and returned to the financial aid office.

Written documentation **must** be submitted with both the Professional Judgement Form and/or the request for independent status forms.

### **REPORTING FRAUD IN THE FINANCIAL AID PROGRAMS**

## **Policy**

In accordance with Federal regulations requiring institutions to report individuals who purposely supply false or misleading information in order to receive student financial aid. Riverland Community College will report to the Department of Education any individual committing fraud on an application for financial aid, or any individual who fraudulently manipulates the financial aid programs or process for personal gain.

Cases of suspected fraud, including knowingly misrepresenting family or financial applications information, purposeful certification of false statements are true and correct, or intentional falsification or misrepresentation on or alteration of documents used in the financial aid process that results in the receipt of aid, will be reported for possible collection of funds and/or prosecution.

### **Procedure for Reporting Fraud**

- A.** Any staff member who becomes aware that a student and/or parent have purposely misrepresented facts relevant to the student's financial aid application or have committed forgery or fraud, will report such student or parent promptly to the Director of Financial Aid.
- B.** The Director will schedule an appointment with the student and/or parent to determine if misrepresentation was intentional and to determine if that misrepresentation resulted in the incorrect receipt of funds, If fraud is established:
  - ◆ The Director will document the nature of the fraudulent act and supply the information to the Vice President of Student Services and the Business Manager.
  - ◆ If funds were disbursed on fraudulent data, the Director will arrange for collection of any overawarded or inappropriately received funds through the Business Office,
  - ◆ The Director will also refer the case to the Inspector General's Office for penalty and/or prosecution in accordance with 34 CFR Part 668.14(g).
- C.** The college will make a reasonable effort to collect overawarded funds. However, funds will remain as an expenditure for reporting until repaid. Once repaid, they will be reported as a recovery.

Updated as of 3/9/02